

REMARKS

The following remarks are prepared in response to the Office Action mailed on January 15, 2001 and as discussed in the phone interview on May 6, 2008 between Applicant's representative and Examiner Scarito and Primary Examiner Dass. Applicant's representative appreciates the Examiners' courtesy in conducting the telephonic interview and discussing the difference between Applicant's invention and the cited references. Applicant has added new claims to address the issues discussed in the telephonic interview of May 6, 2008. In view of the Amendments above and the comments set forth below, Applicant respectfully requests that the rejections be withdrawn and the application be placed in condition for allowance.

The Official Action rejected Claims 1-41 based on 35 U.S.C. 112. Furthermore, the Official Action had rejected Claims 1-41 based on 35 U.S.C. 103(a) as being unpatentable over U.S. Publ. No. 2002/0133371 to Cole ("Cole") in view of U.S. Pat. Publ. 2003/0191723 to Foretich. Claims 1-41 have been canceled, therefore these rejections are now moot. Claims 42-49 have been added and recite features that are not rendered obvious by the cited references.

Claims 42-49 recite a method and system which is not disclosed or rendered obvious by the cited references. These claims are clearly disclosed in the specification and Fig. 3. As discussed in Applicant's specification (See Page 4, lines 6-11) and discussed in the telephonic interview, Applicant's invention discloses a novel system and method which is able to detect potential real estate fraud based on inaccurate reporting or assessment of real estate values. More specifically, computing a spatial index which is able to detect potential fraudulent activities by considering a broader area and applying the novel computation. For example, as described on page 16, line 25 - page 17, line 4:

"Fraudsters also often arrange a series of real or alleged sales, appraisals, or loans for a set of properties in a single neighborhood, often at ascending valuation levels, to support their claims of ascending market valuations or prices, and to support their alleged valuation of a subject property for the purposes of a sale or loan.

However, Fraudsters will not have the resources to arrange enough false valuations or false sale prices to distort the overall price levels in a well-populated zip code, much less an entire city or county, because there are many legitimate sales in such an area".

One of the advantages, amongst others, of the present invention is that it provides a combination of distortion ratios to differentiate realistic valuations. The cited references fail to disclose any of the distortion ratios, e.g. spatial distortion ratio, temporal distortion ratio and total distortion ratio, as recited in the independent claims of the present invention.

The main reference cited in the Office Action, i.e. Cole reference, merely discusses issues with Automated Valuation Models (AVM) in arriving at proper "valuations". AVMs are essentially computerized appraisal of real property. The present invention is not concerned with finding an accurate "AVM value", but rather detecting fraudulent activity in a real estate transaction. In fact, both the Cole reference and the present reference use AVMs to obtain real property values, however, the present invention also provides a system and method which uses novel distortion ratios, i.e. temporal and spatial, to more accurately assess whether a potential fraudulent activity is taking place. The cited references fail to disclose or render obvious such a feature. Any attempt to extrapolate undisclosed motivation and disclosure from the Cole reference would be improper.

Applicant respectfully submits that Claims 42-49 are allowable over the cited references.

CONCLUSION

The application is deemed to be in condition for allowance and an expedited notice to this effect is respectfully requested.

If there are any questions with regards to this response, or if the Examiner believes that a telephone interview will help further prosecution of the application, the Examiner is invited to contact the undersigned at the listed telephone number.

Very truly yours,

SNELL & WILMER L.L.P.

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